

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: July 7, 2003

SUBJECT: Fiscal Impact Statement: "Lease of Parcels of District Owned and Controlled Property to the Washington Convention Center Authority Approval Resolution of 2003"

REFERENCE: Draft Proposed Resolution

Conclusion

Funds are sufficient in the proposed FY 2004 through FY 2007 budget and financial plan to enact the "Lease of Parcels of District Owned and Controlled Property to the Washington Convention Center Authority Approval Resolution of 2003". However, under the terms of the lease, the District would potentially incur a currently unquantifiable future liability if it terminated the lease early.

Background

The proposed resolution would approve a lease for the old convention center site¹ to the Washington Convention Center Authority (WCCA) for \$100 per year for 10 years. The WCCA would be required to raze the site, construct a parking facility and public green space on the property. The District would retain the right to terminate the lease in order to turn the property over to a developer for permanent use. If the District prematurely terminates the lease, it would be required to reimburse the WCCA for site improvements if the WCCA has not been fully reimbursed for its improvements of the parcel via net operating profits from the parking facility.

¹ Lot 848 Square 374

Financial Plan Impact

Funds are sufficient in the proposed FY 2004 through FY 2007 budget and financial plan to implement the "Lease of Parcels of District Owned and Controlled Property to the Washington Convention Center Authority Approval Resolution of 2003". However, under the terms of the lease, the District would potentially incur a currently unquantifiable future liability if it terminated the lease early. The potential revenue possible from alternate uses of this land have not been included in future revenue estimates.